

TEACHERS' RETIREMENT BOARD  
BENEFITS AND SERVICES COMMITTEE

---

SUBJECT: Approval of Minutes for  
April 4, 2002

ITEM NUMBER:   2  

ATTACHMENT(S):   1  

ACTION:   X  

DATE OF MEETING: May 2, 2002

INFORMATION:       

PRESENTER(S): Chairperson

---

Please see the attached minutes of the April 4, 2002, Benefits and Services Committee meeting.

**PROPOSED  
MINUTES OF THE  
BENEFITS AND SERVICES COMMITTEE MEETING  
OF THE  
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM  
THURSDAY, APRIL 4, 2002  
BOARD ROOM  
7667 FOLSOM BOULEVARD  
SACRAMENTO, CALIFORNIA**

**COMMITTEE MEMBERS PRESENT**

Carolyn Widener – Acting Chairperson

Gary Lynes

Jay Schenirer

Carolyn Widener

Louis Willhoit, representing the State Controller, Kathleen Connell

Richard Whitmore, representing Superintendent of Public Instruction, Delaine Eastin

**OTHER BOARD MEMBERS PRESENT**

George Fenimore

Ted Elipoulos, representing the State Treasurer, Phil Angelides

Paul Krasnow

**STAFF PRESENT**

Jack Ehnes, Chief Executive Officer

Michael Carter, DCEO, CBS Branch

Christopher W. Waddell, Chief Counsel

Christopher J. Ailman, Chief Investment Officer

Ed Derman, DCEO, EAPD Branch

Peggy Plett, DCEO, Administration Branch

Laurence Martin, DCEO, Information and Financial Systems

Rick Reed, Actuary, EAPD Branch

Gail Chun-DeDuonni, Chief, Disability Services Division

Suzanne Connors, Assistant Chief, Disability Services Division

Chris Riesen, Staff Information Systems Analyst (Specialist)

Jan Vine, Executive Assistant

**OTHERS PRESENT**

Loretta Toggenburger, UTLA- R

Beverly Carlson, CTA

Edna White, CRTA

Al Reyes, UTLA

James E. Hess, CRTA

Karen Stapf-Walters, ACSA

Dorothy Moser, CTA/NEA- R

Lois Shive, CTA

Norman Gould, CRTA

Susan Goff, CRTA

Ellen Logue, CTA/NEA-R

A quorum being present, Acting Chairperson Widener called the meeting to order at 9:05 a.m.

II. **APPROVAL OF MINUTES OF MARCH 7, 2002**

MOTION duly made by Mr. Schenirer, seconded by Mr. Lynes, and carried to approve the Minutes of the March 7, 2002, Benefits and Services Committee.

III. **ANNOUNCEMENTS**

There were none.

IV. **ADOPTION OF INTEREST RATES FOR 2002-03**

Mr. Reed requested approval of the following rates:

A. Regular Interest Rate: Staff recommended 6.0 percent.

MOTION duly made by Mr. Lynes, seconded by Mr. Schenirer, and carried to recommend that the Board adopt a Regular Interest Rate of 6 percent for fiscal year 2002-03.

B. Credited Interest Rate – Defined Benefit Program: Staff recommended 3.75 percent.

MOTION duly made by Mr. Lynes, second by Mr. Whitmore, and carried to recommend that the Board adopt a Credited Interest Rate for the Defined Benefit Program of 3.75 percent for the fiscal year 2002-03.

C. Minimum Interest Rate – Cash Balance (CB) Benefit Program: Staff recommended a rate of 5.5 percent..

MOTION duly made by Ms. Whitmore, seconded by Mr. Lynes, and carried to recommend that the Board adopt a Minimum Interest Rate for the Cash Balance Benefit Program of 5.5 percent for fiscal year 2002-03.

D. Minimum Interest Rate – Defined Benefit Supplement (DBS) Program: Staff recommended a rate of 5.5 percent.

MOTION duly made by Mr. Schenirer, seconded by Mr. Lynes, and carried to recommend that the Board adopt a Minimum Interest Rate for the Defined Benefit Supplement Program of 5.5 percent for fiscal year 2002-03.

V. **WARRANT STUB MESSAGE – MAY 1, 2002 MAILING**

Mr. Carter presented this item.

VI. **LEVEL OF SERVICE STANDARDS**

Mr. Carter reported staff was making progress in eliminating backlogs in the benefit areas and the Disability Services has no backlogs. The Phone Center also answered 95 percent of all calls answered within three minutes for a brief period prior to the Board meeting. Initial payments continue to be made on time with Service Retirements. Mr. Carter reiterated that once stability is achieved with the backlogs, staff plans to exceed the existing standards, consistent with the CEO's direction.

Beverly Carlson, President of the Yuba City Unified Education Association, shared that she is our biggest advocate and staff is doing the very best they can; however, she continues to be frustrated by the phone services offered by CalSTRS. Mr. Carter shared that the CEO is working with staff to develop a number of service level improvements that will be proposed to the Board for the upcoming year. Mr. Willhoit inquired about increasing the number of queues available to members calling the System. Mr. Carter indicated that staff increased the queue size in the recent past to test the impact on busy messages. Based on the analysis the queue size may be changed. Mr. Lynes shared that when members receive bad service, the entire System suffers and when service is good, the System benefits. Acting Chairperson Widener would like staff to look at CalSTRS' measurements and survey our customers regarding their needs. Mr. Carter acknowledged that an effort is underway to develop a customer needs survey and that more detailed measures are being developed.

The Estimate Letters was issued recently to 90,000 members age 50 and older. The results of this effort will be reported at the next meeting.

VII. **DISABILITY SERVICES DIVISION OVERVIEW**

Mr. Carter and Ms. Chun-DeDuonni presented an overview of the Disability Services Division (DSD) program and introduced the Assistant Chief of the Disability Services Division, Suzanne Connors, who oversees application processing and Mr. Chris Riesen, the Imaging Project Manager.

The Document Imaging (DITO) System was implemented a few years ago and allows staff to process Disability applications electronically. The Imaging System has proven to be a successful pilot in terms of electronic processing of work and the resultant expected efficiencies. The Legal Office and the Phone Center are also connected to the System.

Mr. Lynes complimented staff on this state-of-the art system. Mr. Waddell shared that Corporate Imaging was deferred due to budget considerations and encourages CalSTRS to pilot as soon as feasible.

Dorothy Moser, CTA, NEA-Retired, had questions specific to the processing of applications and wanted to know how long it takes to process applications in

general. Ms. Chun-DeDuonni affirmed that when an application is not eligible it is rejected immediately; however, there are instances when applications such as appeals, which can take longer to resolve. Ms. Moser had an additional question regarding the eligibility due to an “unlawful act”. Ms. Chun-DeDuonni and Ms. Connor clarified that an “unlawful act” occurs during work duty. Mr. Carter shared that applicants that have mental incapacities will receive special consideration for meeting the normal time frame for providing all the necessary information relevant to processing the application.

VIII. **DRAFT AGENDA FOR THE MAY COMMITTEE MEETING**

No changes were made to the agenda.

IX. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were no statements.

X. **ADJOURNMENT**

There being no further business to conduct, Acting Chairperson Widener adjourned the meeting at 10:21 a.m.

---

JACK EHNES, Chief Executive Officer  
Secretary to the Teachers’ Retirement Board

---

Carolyn Widener, Acting Chairperson